

**TOWN OF ARLINGTON  
MASSACHUSETTS**

**REQUEST FOR PROPOSAL**

The Town of Arlington is seeking proposals from qualified individuals and firms for professional services for the following:

**BID #13-34 FLEXIBLE SPENDING ACCOUNT (FSA) ADMINISTRATION**

The Town of Arlington, acting thru the Town Manager seeks proposals from a qualified individual or firm is requesting competitive proposals to provide **Flexible Spending Account (FSA) Administration** for Health Care Spending Accounts (HCSA) and Dependent Care Spending Accounts (DCSA) and Health Reimbursement Account (HRA) that the Town funds for certain health care expenses.

Proposals are invited and will be received by the Town Manager, Town of Arlington, Massachusetts on or before **11:00 A.M. Thursday October 24, 2013** at the Town Manager's Office/Purchasing Department, Town Hall Annex, 730 Massachusetts Avenue, Arlington MA 02476-4908.

Two (2) copies of technical proposal shall be submitted in a sealed envelope marked "**Bid #13-34 Flexible Spending Account and Health Reimbursement Account - Technical Proposal**" and one (1) copy of the price proposal in a sealed envelope marked "**Bid #13-34 Flexible Spending Account and Health Reimbursement Account - Price Proposal**"

Proposals delivered after the appointed time and date will not be considered.

Contact Domenic R. Lanzillotti, Purchasing Officer at 781-316-3003 or email at [dlanzillotti@town.arlington.ma.us](mailto:dlanzillotti@town.arlington.ma.us) for Proposal Documents.

**Bid Documents available for viewing and downloading on Town website:  
[www.arlingtonma.gov/purchasing](http://www.arlingtonma.gov/purchasing)**

The Town Manager reserves the right to cancel any request for proposals, to reject in whole or in part any and all proposals when it is deemed in the best interest of the Town of Arlington to do so.

TOWN OF ARLINGTON  
Adam W. Chapdelaine  
Town Manager

October 3, 2013

## **Town of Arlington Request for Proposal**

### **Introduction**

The Town of Arlington is requesting competitive proposals to provide **Flexible Spending Account (FSA) Administration** for Health Care Spending Accounts (HCSA) and Dependent Care Spending Accounts (DCSA) and Health Reimbursement Account (HRA) that the Town funds for certain health care expenses.

The Administrator must have experience in the design, implementation, administration and communication of both the Health Care and Dependent Care FSA's and HRA's. Bidders should also have experience working with Municipalities offering comparable services.

The Town currently offers both the FSA and HRA. The member can either use a debit card or submit paper claims for reimbursement on their FSA. The Town funds the HRA and the member is reimbursed by submitting a claim to the administrator. The HRA covers inpatient hospital copayments, outpatient surgery copayments, emergency room copayments and high tech imaging copayments. In the event that one member exceeds the out of pocket of \$1250 or \$2500 per family the HRA will reimburse for out of pocket costs from in network providers. Expenses include prescription drug copayments, deductibles and office visit copayments.

Currently the Town has approximately 1,006 employees that are eligible for both programs. The Town anticipates they will hold open enrollment in the late fall and the Administrator would be required to attend employees meetings for the purpose of educating the employees of this offering.

Two (2) copies of your Technical Proposal shall be submitted in a sealed envelope that is clearly identified on the outside as "Flexible Spending Account and Health Reimbursement Account-Technical Proposal" and One (1) copy of your Price Proposal in a separate sealed envelope clearly identified on the outside as "Flexible Spending Account and Health Reimbursement Account-Price Proposal". The name of the Administrator should be clearly identified on the outside of the envelope. The proposals shall be delivered to:

**Domenic Lanzillotti  
Purchasing Agent  
Town of Arlington  
730 Massachusetts Ave.  
Arlington, MA 02476**

on or before 11:00 a.m. Thursday October 24, 2013.

### **Criteria for Selection**

Administrator must have relevant background and experience in providing Flexible Spending Account and Health Reimbursement Account administration in the municipal marketplace.

Administrator must have excellent customer service, including a toll free telephone access to answer all claim and eligibility questions.

Administrator must have online capabilities where the member can confirm account balances and submit claims.

Administrator must have a debit card option for the FSA.

Administrator must have ability to produce utilization reports by type of copayment reimbursed when requested by the Town.

Administrator must appoint an experienced account service manager to work with the Town. The account manager will be responsible of the overall implementation of the Town's FSA and HRA programs as well as ongoing account management, attend meetings and health fairs as requested by the Town.

### **Submission Requirements**

- Briefly describe your claims adjudication process, include how the plan administrator communicates with the member if additional information is needed to pay the claim and your appeal process.
- Provide current organizational chart including key contacts.
- Provide a brief description of your organization including experience in administering FSA's and HRA's in the Public Sector.
- Provide a current annual report.
- Provide a detailed description of your claims adjudication process.
- Provide a detailed description of your online capabilities for members.
- Include sample plan booklets and contracts.
- Include communications you are currently using to promote FSA programs, including brochures, enrollment forms, claim forms, interactive tools, plan descriptions etc.
- Complete attached bid forms.

### **Plan Contracts**

There shall be contracts between the Town and selected vendor. Please include a sample contract with your proposal.

### **Selection Process**

Proposals will be evaluated by the Town. Selection will be made based on the following:

- Proposed cost of the program
- The proven ability to administer the program effectively (to be determined by submitted materials, references, interviews, etc.) and flexibility to work with the Town and its employees to design and implement FSA programs
- Experience in administering FSA and HRA programs to public employee groups, vendor reputation and commitment to providing high quality and affordable FSA and HRA programs

After an initial review, qualified vendors will proceed to the final selections, which may consist of formal interviews, reference checks, and other negotiable items. After agreement has been reached the Town intends to award the contract to the vendor whose proposal is deemed in the best interest of the Town and its employees.

## **Town of Arlington Flexible Spending Account and Health Reimbursement Account**

### **Bid Form 1**

Please answer the below statements with *Confirmed* or *Not Confirmed*. (If you are not able to confirm please state any modifications necessary to confirm.) If the statement requests you to state please provide the information requested.

<b>Company Information</b>	
State your Company Name, Address, Phone Number, and Web Address	
State the Company Sales Representative and Service Representative Names, Address Phone Number and Email Address	
<b>Plan Administration and Marketing</b>	
The plan administrator will establish a Flexible Spending Account Program that will be in conformance with Internal Revenue Service	

regulations including all enrollment and reimbursement procedures.	
The plan administrator will monitor and communicate changes in state and federal tax laws and rulings that impact the FSA's offered to the Town.	
The plan administrator will conduct an annual discrimination test and provide the Town with written results.	
The plan administrator will provide the 5500 form for the Town.	
The plan administrator will reimburse members at least every 2 weeks.	
The plan administrator will provide a direct deposit option to all members.	
The plan administrator can provide a debit card option.	
The plan administrator will maintain an updated website that will provide a claim forms and personal statements.	
The plan administrator will attend the Town's benefits fairs to promote the new program. Please state any charges made to attend these fairs.	
The plan administrator will provide a toll free # and educational marketing materials at their expense that will help to promote the program.	
The plan administrator will provide plan booklets describing the plan to all members.	
<b>Rate Section</b>	
Rates will not change regardless of participation. <b>Please state any minimum monthly fee if required.</b>	
Rates are inclusive of all charges e.g. plan booklets, set up fees, marketing materials etc.	

## **Bid Form 2**

### **Health Care and Dependent Care Flexible Spending Account**

	Monthly Fee/Employee
1/1/2014 – 12/31/2014	
1/1/2015 – 12/31/2015	

**Debit Card Option**

	Monthly or Annual Fee per Employee
1/1/2014 – 12/31/2014	
1/1/2015 – 12/31/2015	

**Health Reimbursement Account**

	Monthly Fee/Employee
1/1/2014 – 12/31/2014	
1/1/2015 – 12/31/2015	

**Debit Card Option**

	Monthly or Annual Fee per Employee
1/1/2014 – 12/31/2014	
1/1/2015 – 12/31/2015	

It is preferred that all fees be stated separately. Please state the costs below including but not limited to Account Maintenance Fee, 5500 Preparation, Discrimination Testing, Minimum Monthly charges, Travel, etc.

Additional Fees not included in the monthly fee above.

Description of Fee	Fee

## CERTIFICATE OF NON-COLLUSION

The undersigned certifies under penalties of perjury that this bid or proposal has been made and submitted in good faith and without collusion or fraud with any other person. As used in this certification, the word "person" shall mean any natural person, business, partnership, corporation, union, committee, club or other organization, entity, or group of individuals.

\_\_\_\_\_  
(Signature of individual submitting bid or proposal)

\_\_\_\_\_  
(Name of individual submitting bid or proposal)

\_\_\_\_\_  
Name of Business

\_\_\_\_\_  
Date

\_\_\_\_\_  
Pursuant to M.G.L. Chapter 62C, Section 49A, I certify under the penalties of perjury that I have complied with all laws of the commonwealth relating to taxes, reporting of employees and contractors, and withholding and remitting child support.

\_\_\_\_\_  
Social Security Number or  
Federal Identification Number

\_\_\_\_\_  
Signature of Individual or Responsible  
Corporate Officer and Title

**NON-COLLUSION FORMS**  
***MUST BE SIGNED AND***  
***SUBMITTED WITH BID***